

EXHIBIT 25

Modification Summary Report

Contract (PO) Number: 18031

Modification Revision Number: 1

Specification Number: 65611

Name of Contractor: REDFLEX TRAFFIC SYSTEMS INC.

City Department: CHICAGO DEPARTMENT OF TRANSPORTATION

Title of Contract: RED LIGHT CAMERA TRAFFIC SYSTEM EQUIPMENT
MAINTENANCE, SUPPORT AND REPAIRS
(INCLUDING REPLACEMENT)

<u>Mod Req Number</u>	<u>Mod Reason</u>	<u>Description</u>
72596		6 MONTH TIME EXTENSION AND VENDOR LIMIT INCREASE - REDFLEX TRAFFIC SYSTEMS INC. - RED LIGHT CAMERA TRAFFIC SYSTEM EQUIPMENT MAINTENANCE, SUPPORT AND REPAIRS (INCLUDING REPLACEMENT) - PO NO. 18031 - SPEC. NO. 65611

Term of Contract: Start Date: 2/1/2008

End Date: 7/31/2013

Procurement Services Contact Person: JOSEPH CHAN

Please refer to the DPS website for Contact information under "Doing Business With The City".

Vendor Number: 50065408

Submission Date:

JAN 31 2013

Specification No.: 65611
Contract (P.O.) No.: 18031 ("**Agreement**")
Amendment No.: 1
Vendor No.: 50065408A
Mod Requisition No.: 72596

AMENDMENT NO. 1

This amendment ("**Amendment**") is made and entered into effective as of the ____ day of _____, 2013 by and between the CITY OF CHICAGO ("**City**"), a municipal corporation and home rule unit of local government existing under the Constitution of the State of Illinois, acting through its Chicago Department of Transportation ("**Department**"), at Chicago, Illinois, and Redflex Traffic Systems, Inc., ("**Contractor**"), an Delaware corporation with its principal place of business at 15020 North 74th Street, Scottsdale, Arizona 85260.

Whereas, the City and Contractor have heretofore entered into an agreement for "Redflex Traffic System Equipment Maintenance & Support Services" for the City of Chicago Office of Emergency Management and Communications dated the 1st day of February, 2008 (hereinafter referred to as the "Agreement") whereby Contractor provides certain equipment delivery, installation, maintenance, and operation services described in the Agreement ("Services") therein set forth for the City; and

The parties agree as follows:

TERMS AND CONDITIONS

1. Article 1, Definitions, Section 1.1 Definitions is amended by deleting "Department" and "Executive Director" replacing both with the following:

"Department" means Chicago Department of Transportation (CDOT).

"Commissioner" means the chief executive of CDOT and any representative authorized in writing to act on his behalf."

2. Article 3, Duration of Agreement, Section 3.1, Term of Performance is amended pursuant to Sections 3.3 and Section 9.3 of the Agreement, the term shall be extended to July 31, 2013 (the "Extended Term").

3. Article 4, Compensation, Section 4.1, Basis of Payment is amended by adding the following:

"Contractor may be paid, at the City's option, by electronic payment method. If the City elects to make payment through this method, it will so notify the Contractor, and Contractor agrees to cooperate to facilitate such payments by executing the City's electronic funds transfer

form, available for download from the City's website at:

http://www.cityofchicago.org/content/dam/city/depts/fin/supp_info/DirectDepositCityVendor.pdf.

The City reserves the right to offset mistaken or wrong payments against future payments.

The City will not be obligated to pay for any work, services or goods that were not ordered with a Purchase Order or that are non-compliant with the terms and conditions of the Contract Documents. Any goods, work, or services which fail tests and/or inspections are subject to correction, exchange or replacement at the cost of the Contractor.”

4. Article 4, Compensation, Section 4.3, Funding, is deleted in its entirety and replaced with the following:

“4.3 Funding

The source of funds for payment made pursuant to this Agreement is Fund number 007-0100-058-4140-0162-220162 or any other funds appropriated. The maximum funding increase from fund number 012-0400-084-2015-0140-220140 is \$3,600,000.00 under this Amendment. Payments under this Agreement must not exceed \$35,709,090.00 without a written amendment in accordance with Section 9.3. Funding for this Agreement is subject to the availability of funds and their appropriation by the City Council of the City.

5. Article 4, Compensation, Section 4.6 Subcontractor Payments is deleted in its entirety and replaced with the following:

“4.6 Subcontractor Payments

The Contractor will be responsible for reporting payments to all Subcontractors on a monthly basis in the form of an electronic audit. Upon the first payment issued by the City of Chicago to the Contractor for services performed, on the first day of each month and every month thereafter, e-mail and/or fax audit notifications will be sent out to the Contractor with instructions to report payments that have been made in the prior month to each Subcontractor. The reporting of payments to all Subcontractors must be entered into the Certification and Compliance Monitoring System (C2), or whatever reporting system is currently in place, on or before the fifteenth (15th) day of each month.

Once the Contractor has reported payments made to each MBE and WBE, including zero dollar amount payments, the MBE and WBE will receive an e-mail and/or fax notification requesting them to log onto the system and confirm payments received. All monthly confirmations must be reported on or before the 20th day of each month. Contractor and Subcontractor reporting to the C2 system must be completed by the 25th of each month or payments may be withheld.

Access to the Certification and Compliance Monitoring System (C2), which is a web based reporting system, can be found at <https://chicago.mwdbe.com>.”

6. **Article 4, Compensation**, is amended by adding a new Section 4.7, Taxes, follows:

“4.7 Taxes

Federal Excise Tax does not apply to materials purchased by the City of Chicago by virtue of Exemption Certificate No. 36-6005820 and State of Illinois Sales Tax does not apply by virtue of Exemption Certificate No. E9998-1874-07. Illinois Retailers Occupation Tax, Use Tax, and Municipal Retailers Occupation Tax do not apply to materials or services purchased by the City of Chicago by virtue of Statute. The price or prices quoted herein shall include all other Federal and/or State, direct and/or indirect taxes which apply. The prices quoted herein shall comply with all Federal laws and regulations.”

7. **Article 4, Compensation**, is amended by adding a new Section 4.8, Centralized Invoice Processing, as follows:

“4.8 Centralized Invoice Processing

Unless stated otherwise in the Detailed Specifications, this Contract is subject to Centralized Invoice Processing ("CIP"). Invoices must be submitted directly to the Comptroller's office by US Postal Service mail to the following address as appropriate:

Invoices for any City department other than the Department of Aviation:

Invoices
City of Chicago, Office of the City Comptroller
33 N. LaSalle St., Room 700
Chicago, IL 60602

Invoices for the Department of Aviation:

Chicago Department of Aviation
10510 W. Zemke Blvd.
P.O. Box 66142
Chicago, IL 60666
Attn: Finance Department

OR

Invoices for any department, including Aviation, may be submitted via email to: invoices@cityofchicago.org with the word "INVOICE" in the subject line.

All invoices must be signed, marked "original," and include the following information or payment will be delayed:

- Invoice number and date
- Contract/Purchase Order number
- Blanket Release number (if applicable)

- Vendor name and/or number
 - Remittance address
 - Name of City Department that ordered the goods or services
 - Name and phone number of your contact at the ordering department
 - Invoice quantities, commodity codes, description of deliverable(s)
 - Amount due
 - Receipt number (provided by the ordering department after delivery of goods/services)
- Invoice quantities, service description, unit of measure, pricing and/or catalog information must correspond to the terms of the Bid Page(s).

If applicable, if invoicing Price List/Catalog items, indicate Price List/Catalog number, item number, Price List/Catalog date, and Price List/Catalog page number on the invoice.

Invoices for over-shipments or items with price/wage escalations will be rejected unless the Contract includes a provision for such an adjustment.

Freight, handling and shipping costs are not to be invoiced; deliveries are to be made F.O.B., City of Chicago. The City of Chicago is exempt from paying State of Illinois sales tax and Federal excise taxes on purchases.

8. Article 6, Compliance with All Laws, Section 6.3, Inspector General is deleted in its entirety and replaced with the following:

It is the duty of any bidder, proposer or Contractor, all Subcontractors, every applicant for certification of eligibility for a City contract or program, and all officers, directors, agents, partners and employees of any bidder, proposer, Contractor, Subcontractor or such applicant to cooperate with the Inspector General or Legislative Inspector General in any investigation or hearing undertaken pursuant to Chapter 2-56 or 2-55, respectively, of the Municipal Code. Contractor understands and will abide by all provisions of Chapter 2-56 and 2-55 of the Municipal Code. All subcontracts must inform Subcontractors of the provision and require understanding and compliance with it.

9. Article 6, Compliance with All Laws, Section 6.6, Chicago "Living Wage" Ordinance, Subsection (c) is deleted in its entirety and replaced with the following:

“(c) As of July 1, 2008 the Base Wage was \$10.60 per hour. As of July 1, 2009, the Base Wage was \$11.03 per hour. As of July 1, 2010, the Base Wage was \$11.03 per hour. As of July 1, 2011, the Base Wage was \$11.18 per hour. As of July 1, 2012, the Base Wage is \$11.53 per hour and each July 1 thereafter, the Base Wage will be adjusted using the most recent federal poverty guidelines for a family of four as published annually by the U.S. Department of Health and Human Services, to constitute the following: the poverty guidelines for a family of four divided by 2000 hours or the current base wage, whichever is higher. The currently applicable Base Wage is available from the Department of Procurement Services. At all times during the term of this Agreement, Contractor and all other Performing Parties must pay the Base Wage (as adjusted in accordance with the above). If the payment of prevailing wages is required for Services done under this Agreement, and the prevailing wages for Covered Employees are higher than the Base Wage, then Contractor and all other Performing Parties must pay the prevailing wage rates.”

10. Article 6, Compliance With All Laws, Section 6.8, Prohibition on Certain Contributions, is deleted in its entirety and replaced with the following:

“6.8 Prohibition on Certain Contributions, Mayor Executive Order 2011-4

No Contractor or any person or entity who directly or indirectly has an ownership or beneficial interest in Contractor of more than 7.5% ("Owners"), spouses and domestic partners of such Owners, Contractor's Subcontractors, any person or entity who directly or indirectly has an ownership or beneficial interest in any Subcontractor of more than 7.5% ("Sub-owners") and spouses and domestic partners of such Sub-owners (Contractor and all the other preceding classes of persons and entities are together, the "Identified Parties"), shall make a contribution of any amount to the Mayor of the City of Chicago (the "Mayor") or to his political fundraising committee during (i) the bid or other solicitation process for this Contract or Other Contract, including while this Contract or Other Contract is executory, (ii) the term of this Contract or any Other Contract between City and Contractor, and/or (iii) any period in which an extension of this Contract or Other Contract with the City is being sought or negotiated.

Contractor represents and warrants that since the date of public advertisement of the specification, request for qualifications, request for proposals or request for information (or any combination of those requests) or, if not competitively procured, from the date the City approached the Contractor or the date the Contractor approached the City, as applicable, regarding the formulation of this Contract, no Identified Parties have made a contribution of any amount to the Mayor or to his political fundraising committee.

Contractor shall not: (a) coerce, compel or intimidate its employees to make a contribution of any amount to the Mayor or to the Mayor's political fundraising committee; (b) reimburse its employees for a contribution of any amount made to the Mayor or to the Mayor's political fundraising committee; or (c) bundle or solicit others to bundle contributions to the Mayor or to his political fundraising committee.

The Identified Parties must not engage in any conduct whatsoever designed to intentionally violate this provision or Mayoral Executive Order No. 2011-4 or to entice, direct or solicit others to intentionally violate this provision or Mayoral Executive Order No. 2011-4.

Violation of, non-compliance with, misrepresentation with respect to, or breach of any covenant or warranty under this provision or violation of Mayoral Executive Order No. 2011-4 constitutes a breach and default under this Contract, and under any Other Contract for which no opportunity to cure will be granted. Such breach and default entitles the City to all remedies (including without limitation termination for default) under this Contract, under Other Contract, at law and in equity. This provision amends any Other Contract and supersedes any inconsistent provision contained therein.

If Contractor violates this provision or Mayoral Executive Order No. 2011-4 prior to award of the Contract resulting from this specification, the CPO may reject Contractor's bid.

For purposes of this provision:

"Other Contract" means any agreement entered into between the Contractor and the City that is (i) formed under the authority of MCC Ch. 2-92; (ii) for the purchase, sale or lease of real or personal property; or (iii) for materials, supplies, equipment or services which are approved and/or authorized by the City Council.

"Contribution" means a "political contribution" as defined in MCC Ch. 2-156, as amended.

"Political fundraising committee" means a "political fundraising committee" as defined in MCC Ch. 2-156, as amended.

11. Article 9, General Conditions, Section 9.9 Independent Contractor, is deleted in its entirety and replaced with the following:

“9.9 Independent Contractor

(a) This Agreement is not intended to and does not constitute, create, give rise to, or otherwise recognize a joint venture, partnership, corporation or other formal business association or organization of any kind between Contractor and the City. The rights and the obligations of the parties are only those set forth in this Agreement. Contractor must perform under this Agreement as an independent contractor and not as a representative, employee, agent, or partner of the City.

(b) This Agreement is between the City and an independent contractor and, if Contractor is an individual, nothing provided for under this Agreement constitutes or implies an employer-employee relationship such that:

(i) The City will not be liable under or by reason of this Agreement for the payment of any compensation award or damages in connection with the Contractor performing the Services required under this Agreement.

(ii) Contractor is not entitled to membership in any City Pension Fund, Group Medical Insurance Program, Group Dental Program, Group Vision Care, Group Life Insurance Program, Deferred Income Program, vacation, sick leave, extended sick leave, or any other benefits ordinarily provided to individuals employed and paid through the regular payrolls of the City.

(iii) The City is not required to deduct or withhold any taxes, FICA or other deductions from any compensation provided to Contractor.

(c) Shakman Accord

(i) The City is subject to the May 31, 2007 Order entitled “Agreed Settlement Order and Accord” (the “Shakman Accord”) and the June 24, 2011 “City of Chicago Hiring Plan” (the “City Hiring Plan”) entered in *Shakman v. Democratic Organization of Cook County*, Case No 69 C 2145 (United State District Court for the Northern District of Illinois). Among other things, the Shakman Accord and the City Hiring Plan prohibit the

City from hiring persons as governmental employees in non-exempt positions on the basis of political reasons or factors.

(ii) Contractor is aware that City policy prohibits City employees from directing any individual to apply for a position with Contractor, either as an employee or as a subcontractor, and from directing Contractor to hire an individual as an employee or as a subcontractor. Accordingly, Contractor must follow its own hiring and contracting procedures, without being influenced by City employees. Any and all personnel provided by Contractor under this Agreement are employees or subcontractors of Contractor, not employees of the City of Chicago. This Agreement is not intended to and does not constitute, create, give rise to, or otherwise recognize an employer-employee relationship of any kind between the City and any personnel provided by Contractor.

(iii) Contractor will not condition, base, or knowingly prejudice or affect any term or aspect of the employment of any personnel provided under this Agreement, or offer employment to any individual to provide services under this Agreement, based upon or because of any political reason or factor, including, without limitation, any individual's political affiliation, membership in a political organization or party, political support or activity, political financial contributions, promises of such political support, activity or financial contributions, or such individual's political sponsorship or recommendation. For purposes of this Agreement, a political organization or party is an identifiable group or entity that has as its primary purpose the support of or opposition to candidates for elected public office. Individual political activities are the activities of individual persons in support of or in opposition to political organizations or parties or candidates for elected public office.

(iv) In the event of any communication to Contractor by a City employee or City official in violation of Section 9.9(c)(ii) above, or advocating a violation of Section 9.9(c)(iii) above, Contractor will, as soon as is reasonably practicable, report such communication to the Hiring Oversight Section of the City's Office of the Inspector General, and also to the head of the relevant City Department utilizing services provided under this Agreement. Contractor will also cooperate with inquiries by IGO Hiring Oversight or the Shakman Monitor's Office related to the contract."

12. Article 9, General Conditions, is amended, by adding a new Section 9.14, Disclosure of Ownership Interest in Entities as follows:

"9.14 Disclosure of Ownership Interest in Entities

The Contractor will keep disclosure of ownership interests and other information current as required by Section 2-154-020 of the Municipal Code of Chicago."

13. Article 9, General Conditions, is amended by adding a new Section 9.15, Ineligibility to do Business with the City of Chicago as follows:

"9.15 Ineligibility to do Business with the City of Chicago

Failure by the Contractor or any controlling person (as defined in Section 1-23-010 of the Municipal Code of Chicago) thereof to maintain eligibility to do business with the City of Chicago as required by Section 1-23-30 of the Municipal Code of Chicago shall be grounds for termination of this Agreement.”

14. Acknowledgement. Contractor has executed Special Conditions Regarding Minority and Women Business Enterprise Commitment Schedules C-1 and D-1, an online Economic Disclosure Statement and Affidavit (EDS) Certificate of Filing and provided an Insurance Certificate, copies of which are attached to this Amendment as Exhibit 1, Exhibit 2, and Exhibit 3 respectively and incorporated here by reference.

The terms of the Agreement remain in full force and effect except as modified in this Amendment.

AMENDMENT SIGNATURE PAGE

Contract No.: 18031

Specification No.: 65611

Mod Requisition No.: 72596

Contractor Name: Redflex Traffic Systems, Inc.

Total Amount (Value): \$35,709,090.00

Fund Chargeable: 007-0100-058-4140-0162-220162 (\$32,109,090.00)
012-0400-084-2015-0140-220140 (\$3,600,000.00)

REFLEX TRAFFIC SYSTEMS, INC.
(Contractor)

By: Karen Finley
Its: Reflex Traffic Systems, Inc.

Attest: Jean Connell

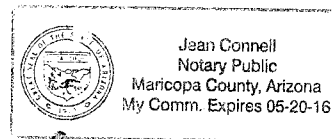
State of ARIZONA
County of MARICOPA

This instrument was acknowledged before me on this 17 day of JANUARY, 2015
by KAREN FINLEY as President (or other authorized officer) and
JEAN CONNELL as Secretary of REFLEX TRAFFIC SYSTEMS, INC. (Corporation Name).

Jean Connell
Notary Public Signature

(Seal)

Commission Expires: 05/20/2016



CITY OF CHICAGO

Rahm Emanuel

Mayor Rahm Emanuel SR Date 1/30/2015

Comptroller Galle Date 1/30/2015

Chief Procurement Officer Date

The Chief Procurement Officer has determined, on behalf of the City of Chicago, with regard to this Contract Amendment, that the circumstances said to necessitate the change in performance were not reasonably foreseeable at the time the Agreement was signed, or that the change is germane to the original Agreement as signed, or that the change order is in the best interest of the City of Chicago and is authorized by law.

Exhibit 1

**Special Conditions Regarding Minority and Women Business Enterprise Commitment,
Schedule C-1 and D-1**

Letter of Intent from MBE/WBE to Perform as Subcontractor, Supplier and/or Consultant

Name of Project/Contract: Digital Automated Red Light Enforcement Program
Specification Number: 65611

From: Gandhi and Associates, Inc
(Name of MBE/WBE Firm)

MBE: Yes ☒ No ☐
WBE: Yes ☐ No ☒

To: Redflex Traffic Systems, Inc and the City of
Chicago:
(Name of Prime Contractor - Bidder/Proposer)

The undersigned intends to perform work in connection with the above projects as a:

☐ Sole Proprietor ☒ Corporation
☐ Partnership ☐ Joint Venture

The MBE/WBE status of the undersigned is confirmed by the attached letter of Certification from the City of Chicago effective date of _____ to _____ for a period of five years.

The undersigned is prepared to provide the following described services or supply the following described goods in connection with the above named project/contract:

engineering services, including drafting and surveys

The above described performance is offered for the following price and described terms of payment:

will be priced by project

If more space is needed to fully describe the MBE/WBE firm's proposed scope of work and/or payment schedule, attach additional sheets.

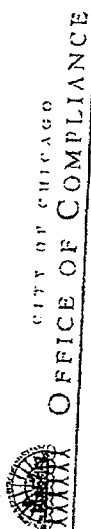
The undersigned will enter into a formal written agreement for the above work with you as a Prime Contractor, conditioned upon your execution of a contract with the City of Chicago, and will do so within (3) three working days of receipt of a signed contract from the City of Chicago.

P. K. Gandhi
(Signature of Owner or Authorized Agent)

P. K. Gandhi
Name / Title (Print)

January 18, 2013
Date

773-774-5910
Phone



October 27, 2011

Pravinchandra Kantilal Gandhi
 Gandhi & Associates, Inc.
 6033 N. Northwest Hwy., Ste. 306
 Chicago, IL 60631

Annual Certificate Expires: October 21, 2016

Dear Pravinchandra Kantilal Gandhi:

We are pleased to inform you that Gandhi & Associates, Inc. has been certified as a Minority Business Enterprise (MBE) by the City of Chicago. This MBE certification is valid until October 21, 2016; however your firm must be re-validated annually. Your firm's No Change Affidavit is due by August 21, 2012.

As a condition of continued certification during this five year period, you must file a No-Change Affidavit within 60 days prior to the date of expiration. Failure to file this Affidavit will result in the termination of your certification. You must also notify the City of Chicago of any changes in ownership or control of your firm or any other matters or facts affecting your firm's eligibility for certification.

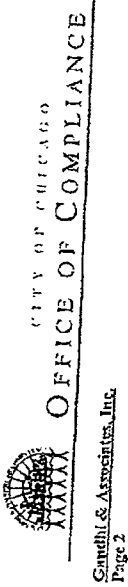
It is important to note that you also have an ongoing affirmative duty to notify the City of Chicago of any changes in ownership or control of your firm, or any other fact affecting your firm's eligibility for certification within 10 days of such change. These changes may include but are not limited to a change of address, change of business structure, change in ownership or ownership structure, change of business operations, and/or gross receipts that exceed the program threshold.

Please note - you shall be deemed to have had your certification lapse and will be ineligible to participate as a MBE/WBE/DBE if you fail to:

- file your No Change Affidavit within the required time period;
- provide financial or other records requested pursuant to an audit within the required time period; or
- notify the City of any changes affecting your firm's certification within 10 days of such change.

Further, if you or your firm is found to be involved in certification, bidding and/or contractual fraud or abuse, the City will pursue de-certification and disbarment. And in addition to any other penalty imposed by law, any person who knowingly abducts, or knowingly assists another in abducting, a contract with the city by falsely representing that the individual or entity, or the individual or entity assisted, is a minority-owned business or a woman-owned business, is guilty of a misdemeanor, punishable by imprisonment in the county jail for a period not to exceed six months or a fine of not less than \$3,000.00 and not more than \$10,000, or both.

121 N. LaSalle St., Room 403, Chicago, IL 60602 • (312) 744 - 4900



Your firm's name will be listed in the City's Directory of Minority Business Enterprises and Women Business Enterprises in the specialty area(s) of:

NAICS 541310 - CONSULTING ENGINEERING SERVICES IN CIVIL, ELECTRICAL, MECHANICAL, CONSTRUCTION AND STRUCTURAL

Your firm's participation on City contracts will be credited only toward Minority Business Enterprise (MBE) goals in your area(s) of specialty. While your participation on City contracts is not limited to your specialty, credit toward goals will be given only for work done in the specialty category.

Thank you for your continued interest in the City's Minority Business Enterprise (MBE) Program.

Sincerely,

Michael Chambers
Senior Compliance Officer
CITY OF CHICAGO
City Hall

TA

121 N. LaSalle St., Room 403, Chicago, IL 60602 • (312) 744 - 4900

**Letter of Intent from MBE/WBE to Perform
as Subcontractor, Supplier and/or Consultant**

Name of Project/Contract: Digital Automated Red Light Enforcement Program
Specification Number: 65611

From: City Lights, Ltd
(Name of MBE/WBE Firm)

MBE: Yes ☒ No ☐
WBE: Yes ☐ No ☒

To: Redflex Traffic Systems, Inc and the City of
Chicago:
(Name of Prime Contractor - Bidder/Proposer)

The undersigned intends to perform work in connection with the above projects as a:

☐ Sole Proprietor ☒ Corporation
☐ Partnership ☐ Joint Venture

The MBE/WBE status of the undersigned is confirmed by the attached letter of Certification from the City of Chicago effective date of May 1, 2012 to May 1, 2013 for a period of five years.

The undersigned is prepared to provide the following described services or supply the following described goods in connection with the above named project/contract:

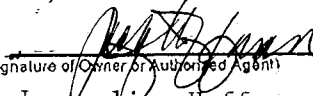
Maintenance, relocations, knockdown support and construction services

The above described performance is offered for the following price and described terms of payment:

to be priced as project requires

If more space is needed to fully describe the MBE/WBE firm's proposed scope of work and/or payment schedule, attach additional sheets.

The undersigned will enter into a formal written agreement for the above work with you as a Prime Contractor, conditioned upon your execution of a contract with the City of Chicago, and will do so within (3) three working days of receipt of a signed contract from the City of Chicago.


(Signature of Owner or Authorized Agent)

Jacqueline Hoffman
Name / Title (Print)

1-18-13

Date

708-581-7110

Phone



MAY 11 2012
DEPARTMENT OF PROCUREMENT SERVICES
CITY OF CHICAGO

Jacqueline Hoffman
City Lights, Ltd.
9993 Virginia Ave.
Chicago Ridge, Illinois 60415

Annual Certificate Expires: May 1, 2013

Dear Ms. Hoffman:

We are pleased to inform you that City Lights, Ltd. has been certified as a Minority Business Enterprise (MBE)/Women Business Enterprise (WBE) by the City of Chicago. This MBE/WBE certification is valid until May 1, 2017; however your firm must be re-validated annually.

As a condition of continued certification during this five year period, you must file an annual No-Change Affidavit. Your firm's No Change Affidavit is due by May 1, 2013. Please remember, you have an affirmative duty to file your No-Change Affidavit 60 days prior to the date of expiration. Therefore, you must file your No-Change Affidavit by March 1, 2013.

It is important to note that you also have an ongoing affirmative duty to notify the City of Chicago of any changes in ownership or control of your firm, or any other fact affecting your firm's eligibility for certification within 10 days of such change. These changes may include but are not limited to a change of address, change of business structure, change in ownership or ownership structure, change of business operations, and/or gross receipts that exceed the program threshold.

Please note -- you shall be deemed to have had your certification lapse and will be ineligible to participate as a MBE/WBE if you fail to:

- file your No Change Affidavit within the required time period;
- provide financial or other records requested pursuant to an audit within the required time period; or
- notify the City of any changes affecting your firm's certification within 10 days of such change.

121 NORTH LASALLE STREET, ROOM 403, CHICAGO, ILLINOIS 60602

Page 2 of 2
City Lights, Ltd.

Further, if you or your firm is found to be involved in certification, bidding and/or contractual fraud or abuse, the City will pursue decertification and debarment. And in addition to any other penalty imposed by law, any person who knowingly obtains, or knowingly assists another in obtaining, a contract with the city by falsely representing that the individual or entity, or the individual or entity assisted, is a minority-owned business or a woman-owned business, is guilty of a misdemeanor, punishable by incarceration in the county jail for a period not to exceed six months or a fine of not less than \$5,000.00 and not more than \$10,000, or both.

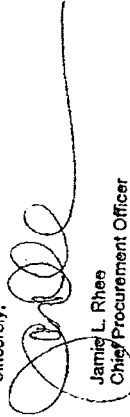
Your firm's name will be listed in the City's Directory of Minority and Women-Owned Business Enterprises in the specialty area(s) of:

NAICS - 237310 - Highway, Street and Bridge Construction
NAICS - 237130 - Power and Communication Line Related Structures

Your firm's participation on City contracts will be credited only toward Minority Owned Business Enterprise (MBE)/Women Business Enterprise (WBE) goals in your area(s) of specialty. While your participation on City contracts is not limited to your specialty, credit toward goals will be given only for work done in the specialty category.

Thank you for your continued interest in the City's Minority and Women-Owned Business Enterprise (MBE/WBE) Program.

Sincerely,



Jamie L. Rhee
Chief Procurement Officer

Letter of Intent from MBE/WBE to Perform as Subcontractor, Supplier and/or Consultant

Name of Project/Contract: Digital Automated Red Light Enforcement Program
Specification Number: 65611

From: BPS Staffing, Inc
(Name of MBE/WBE Firm)

MBE: Yes ☒ No ☐
WBE: Yes ☒ No ☐

To: Redflex Traffic Systems, Inc and the City of
Chicago:
(Name of Prime Contractor - Bidder/Proposer)

The undersigned intends to perform work in connection with the above projects as a:

☐ Sole Proprietor ☒ Corporation
☐ Partnership ☐ Joint Venture

The MBE/WBE status of the undersigned is confirmed by the attached letter of Certification from the City of Chicago effective date of 7/15/2012 to 7/15/2017 for a period of five years.

The undersigned is prepared to provide the following described services or supply the following described goods in connection with the above named project/contract:

1. Office personnel to assist with processing of incidents
2. other positions identified as a need by Redflex Traffic

The above described performance is offered for the following price and described terms of payment:

1. \$17.30 per hour per associate and overtime scale (after 40 hours per week) to be \$25.95
2. to be priced upon request

If more space is needed to fully describe the MBE/WBE firm's proposed scope of work and/or payment schedule, attach additional sheets.

The undersigned will enter into a formal written agreement for the above work with you as a Prime Contractor, conditioned upon your execution of a contract with the City of Chicago, and will do so within (3) three working days of receipt of a signed contract from the City of Chicago.

Tamera Buckhanan
(Signature of Owner or Authorized Agent)
TAMERA Buckhanan
Name / Title (Print)

Date
312-920-6710
Phone



DEPARTMENT OF PROCUREMENT SERVICES
CITY OF CHICAGO

AUG 22 2012

Tamera Buckhanan
BPS Staffing, Inc.
134 N. LaSalle
Suite 1125
Chicago, IL 60602

Annual Certificate Expires: July 15, 2013

Dear Ms. Buckhanan:

We are pleased to inform you that BPS Staffing, Inc. has been re-certified as a Minority and Woman Business Enterprise (MBE/WBE) by the City of Chicago. This MBE/WBE certification is valid until July 15, 2017; however your firms' certification must be re-validated annually.

As a condition of continued certification during this five year period, you must file an annual No-Change Affidavit. Your firm's **No Change Affidavit is due by July 15, 2013**. Please remember, you have an affirmative duty to file your No-Change Affidavit 60 days prior to the date of expiration. Therefore, you must file your **No-Change Affidavit by May 15, 2013**.

It is important to note that you also have an ongoing affirmative duty to notify the City of Chicago of any changes in ownership or control of your firm, or any other fact affecting your firm's eligibility for certification within **10 days** of such change. These changes may include but are not limited to a change of address, change of business structure, change in ownership or ownership structure, change of business operations, and/or gross receipts that exceed the program threshold.

Please note – you shall be deemed to have had your certification lapse and will be ineligible to participate as a Minority and Woman Business Enterprise (MBE/WBE) if you fail to:

- file your No Change Affidavit within the required time period;
- provide financial or other records requested pursuant to an audit within the required time period; or
- notify the City of any changes affecting your firm's certification within 10 days of such change.

Page 2 of 2
BPS Staffing, Inc.

AUG 22 2012

Further, if you or your firm is found to be involved in certification, bidding and/or contractual fraud or abuse, the City will pursue decertification and debarment. And in addition to any other penalty imposed by law, any person who knowingly obtains, or knowingly assists another in obtaining, a contract with the city by falsely representing that the individual or entity, or the individual or entity assisted, is a minority-owned business or a woman-owned business, is guilty of a misdemeanor, punishable by incarceration in the county jail for a period not to exceed six months or a fine of not less than \$5,000.00 and not more than \$10,000, or both.

Your firm's name will be listed in the City's Directory of Minority and Women-Owned Business Enterprises in the specialty area(s) of:

NAICS Code - 561311 - Employment Agencies
NAICS Code - 561320 - Temporary Employment Services

Your firm's participation on City contracts will be credited only toward Minority or Woman owned Business Enterprise (MBE/WBE) goals in your area(s) of specialty. While your participation on City contracts is not limited to your specialty, credit toward goals will be given only for work done in the specialty category.

Thank you for your continued interest in the City's Minority and Women-Owned Business Enterprise (MBE/WBE) Program.

Sincerely,



Jamie L. Rhee
Chief Procurement Officer

JLR/vlw

Affidavit of MBE/WBE Goal Implementation Plan

Project Name : _____

State of Illinois

County (City) of Cook (Chicago)

I HEREBY DECLARE AND AFFIRM that I am duly authorized representative of:

Redflex Traffic Systems

Name of Prime Contractor

and that I have personally reviewed the material and facts set forth herein describing our proposed plan to achieve the MBE/WBE goals of this contract.

All MBE/WBE firms included in this plan have been certified as such by the City of Chicago (Letters of Certification Attached).

- I. MBE or WBE Prime Contractor. If prime Contractor is a certified MBE or WBE firm, attach copy of City of Chicago Letter of Certification. (Certification of the prime Contractor as a MBE satisfies the MBE goal only. Certification of the prime Contractor as a WBE satisfies the WBE goal only.)
- II. MBEs and WBEs as Joint Venturers. If prime Contractor is a joint venture and one or more joint venture partners are certified MBEs or WBEs, attach copies of Letters of Certification and a copy of Joint Venture Agreement clearly describing the role of the MBE/WBE firm(s) and its ownership interest in the joint venture.

III. MBE/WBE SubContractors. Complete for each MBE/WBE subconsultant/subcontractor/supplier.

1. Name of MBE/WBE: City Lights (direct participation)

Address: 9993 Virginia Ave, Chicago Ridge, IL 60415

Contact Person: John Candeleria

Phone: (708) 581 - 7119

Dollar Amount of Participation \$ 650,000 per year

Percent Amount of Participation: 9.06 %

2. Name of MBE/WBE: Gandhi and Associates (direct participation)

Address: 6035 N Northwest Hwy #305, Chicago, IL 60631

Contact Person: PK Gandhi

Phone: (773) 774-5910

Dollar Amount of Participation \$ 50,000 per year

Percent Amount of Participation: .70 %

3. Name of MBE/WBE: Bigane Paving (lost WBE certification)

Address: 935 Chestnut Street, Ste 203, Chicago, IL 60622

Contact Person: Anne Wilson Phone: (312) 523.0600

Dollar Amount of Participation \$ seeking reduction

Percent Amount of Participation: est. .70 %

4. Name of MBE/WBE: BPS Staffing

Address: 134 N. LaSalle Ste 1125, Chicago, IL 60601

Contact Person: Tamera Buckhanan Phone: (312) 920 - 6711

Dollar Amount of Participation \$ 310,000 per year

Percent Amount of Participation: est. 4.32 %

5. Name of MBE/WBE: _____

Address: _____

Contact Person: _____ Phone: _____

Dollar Amount of Participation \$ _____

Percent Amount of Participation: _____ %

6. Name of MBE/WBE: City Lights (indirect participation)

Address: 9993 Virginia Ave, Chicago Ridge, IL 60415

Contact Person: John Candeleria Phone: (708) 581 - 7119

Dollar Amount of Participation \$ 1,000,000 per year

Percent Amount of Participation: 13.94 %

7. Name of MBE/WBE: Gandhi and Associates (indirect participation)

Address: 6035 N Northwest Hwy #305, Chicago, IL 60631

Contact Person: PK Gandhi Phone: (773) 774-5910

Dollar Amount of Participation \$ 95,000 per year

Percent Amount of Participation: 1.32 %

8. Attach additional sheets as needed.

IV. Summary of MBE Proposal:

MBE Firm Name	Dollar Amount of Participation	Percent Amount of participation
City Lights, Ltd. (direct participation)	\$ DUR	est. 9.06 %
Gandhi & Assoc (direct participation)	\$ DUR	est. .70 %
	\$	%
City Lights, Ltd (indirect)	\$ DUR	est. 13.84 %
Gandhi & Assoc (indirect)	\$ DUR	est. 1.32 %
Total MBE Participation:	\$ DUR	est. 25.03 %

V. Summary of WBE Proposal:

WBE Firm Name	Dollar Amount of Participation	Percent Amount of participation
BPS Staffing	\$ DUR	est. 4.32 %
Bigane Paving	\$ seeking reduction	seeking reduction %
	\$	%
	\$	%
	\$	%
Total WBE Participation:	\$ DUR	est. 5.02 %

To the best of my knowledge, information and belief, the facts and representations contained in this Schedule are true, and no material facts have been omitted.

The contractor designates the following person as their MBE/WBE Liaison Officer:

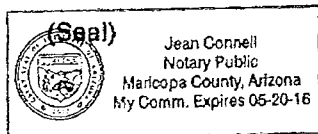
Name Mark Koehler Phone Number: 312-327-1920

I do solemnly declare and affirm under penalties of perjury that the contents of the foregoing document are true and correct, and that I am authorized, on behalf of the contractor, to make this affidavit.

Karen Finley
Signature of Affiant (Date)

State of ARIZONA
County of MARICOPA

This instrument was acknowledged before me on 01/23/2013 (date)
by KAREN FINLEY (name /s of person/s)
as PRESIDENT CEO (type of authority, e.g., officer, trustee, etc.)
of REFLEX TRAFFIC SYSTEMS, INC. (name of party on behalf of whom
instrument was executed).



Jean Connell
Signature of Notary Public

Exhibit 2

**Online Economic Disclosure Statement (EDS) and Affidavit
Certificate of Filing**

Instructions:

Complete the online Economic Disclosure Statement (EDS) which includes a Disclosure of Retained Parties. Please submit an electronically signed, one page EDS Certificate of Filing which validates that the EDS has been filed. Additionally, the Municipal Code of Chicago requires the disclosure of Familial Relationships with Elected City Officials and Department Heads. The web address to submit your EDS and Familial Relationships Disclosure is: <https://webapps.cityofchicago.org/EDSWeb>.



CERTIFICATE OF FILING FOR
CITY OF CHICAGO ECONOMIC DISCLOSURE STATEMENT

EDS Number: 35360

Date of This Filing: 08/15/2012 07:09 PM

Certificate Printed on: 08/15/2012

Original Filing Date: 08/15/2012 07:09 PM

Disclosing Party: Redflex Traffic Systems, Inc Title: Director of Legislative Affairs

Filed by: Tamara Dietrich

Matter: Automated Red Light Camera Systems

Applicant: Redflex Traffic Systems, Inc

Specification #:

Contract #: 18031

The Economic Disclosure Statement referenced above has been electronically filed with the City. Please provide a copy of this Certificate of Filing to your city contact with other required documents pertaining to the Matter. For additional guidance as to when to provide this Certificate and other required documents, please follow instructions provided to you about the Matter or consult with your City contact.

A copy of the EDS may be viewed and printed by visiting <https://webapps.cityofchicago.org/EDSWeb> and entering the EDS number into the EDS Search. Prior to contract award, the filing is accessible online only to the disclosing party and the City, but is still subject to the Illinois Freedom of Information Act. The filing is visible online to the public after contract award.

Exhibit 3

Insurance Certificate



CERTIFICATE OF LIABILITY INSURANCE

 DATE (MM/DD/YYYY)
04/16/2012

THIS CERTIFICATE IS ISSUED AS A MATTER OF INFORMATION ONLY AND CONFERS NO RIGHTS UPON THE CERTIFICATE HOLDER. THIS CERTIFICATE DOES NOT AFFIRMATIVELY OR NEGATIVELY AMEND, EXTEND OR ALTER THE COVERAGE AFFORDED BY THE POLICIES BELOW. THIS CERTIFICATE OF INSURANCE DOES NOT CONSTITUTE A CONTRACT BETWEEN THE ISSUING INSURER(S), AUTHORIZED REPRESENTATIVE OR PRODUCER, AND THE CERTIFICATE HOLDER.

IMPORTANT: If the certificate holder is an ADDITIONAL INSURED, the policy(ies) must be endorsed. If SUBROGATION IS WAIVED, subject to the terms and conditions of the policy, certain policies may require an endorsement. A statement on this certificate does not confer rights to the certificate holder in lieu of such endorsement(s).

PRODUCER LIC #0726293 1-925-299-1112
Arthur J. Gallagher & Co.
Insurance Brokers of California, Inc.
3697 Mt. Diablo Boulevard, Suite 300

Lafayette, CA 94549
Robert J. Marrone

INSURED
Redflex Traffic Systems, Inc.

23751 N. 23rd Avenue, Suite 150

Phoenix, AZ 85085-1854

CONTACT NAME: Certificate Department
PHONE (A/C, No, Ext): 925-299-1112 FAX (A/C, No): 925-953-6270
E-MAIL ADDRESS: eastbaycerts@AJG.COM

INSURER(S) AFFORDING COVERAGE		NAIC #
INSURER A:	WAUSAU UNDERWRITERS INS CO [AMBEST: A, XV]	26042
INSURER B:	LIBERTY MUT FIRE INS CO [AMBEST: A, XV]	11748
INSURER C:	SAVERS PROP & CAS INS CO [AMBEST: A, IX]	16551
INSURER D:		
INSURER E:		
INSURER F:		

COVERAGES

CERTIFICATE NUMBER: 26644728

REVISION NUMBER:

THIS IS TO CERTIFY THAT THE POLICIES OF INSURANCE LISTED BELOW HAVE BEEN ISSUED TO THE INSURED NAMED ABOVE FOR THE POLICY PERIOD INDICATED. NOTWITHSTANDING ANY REQUIREMENT, TERM OR CONDITION OF ANY CONTRACT OR OTHER DOCUMENT WITH RESPECT TO WHICH THIS CERTIFICATE MAY BE ISSUED OR MAY PERTAIN, THE INSURANCE AFFORDED BY THE POLICIES DESCRIBED HEREIN IS SUBJECT TO ALL THE TERMS, EXCLUSIONS AND CONDITIONS OF SUCH POLICIES. LIMITS SHOWN MAY HAVE BEEN REDUCED BY PAID CLAIMS.

INSR LTR	TYPE OF INSURANCE	ADDL INSR	SUBR WVD	POLICY NUMBER	POLICY EFF (MM/DD/YYYY)	POLICY EXP (MM/DD/YYYY)	LIMITS
A	GENERAL LIABILITY	X	X	TBJ-Z91-453980-032	04/01/12	04/01/13	EACH OCCURRENCE \$ 1,000,000 DAMAGE TO RENTED PREMISES (Ea occurrence) \$ 1,000,000 MED EXP (Any one person) \$ 5,000 PERSONAL & ADV INJURY \$ 1,000,000 GENERAL AGGREGATE \$ 2,000,000 PRODUCTS - COMP/OP AGG \$ 2,000,000 GEN'L AGGREGATE LIMIT APPLIES PER: POLICY <input checked="" type="checkbox"/> PRO-JECT <input checked="" type="checkbox"/> LOC
	<input checked="" type="checkbox"/> COMMERCIAL GENERAL LIABILITY						
	<input type="checkbox"/> CLAIMS-MADE <input checked="" type="checkbox"/> OCCUR						
	<input checked="" type="checkbox"/> STOP GAP: WA, OH						
A	AUTOMOBILE LIABILITY			ASJ-Z91-453980-022	04/01/12	04/01/13	COMBINED SINGLE LIMIT (Ea accident) \$ 1,000,000 BODILY INJURY (Per person) \$ BODILY INJURY (Per accident) \$ PROPERTY DAMAGE (Per accident) \$ <- *HAPD Ded \$
	<input checked="" type="checkbox"/> ANY AUTO						
	<input type="checkbox"/> ALL OWNED AUTOS						
	<input type="checkbox"/> HIRED AUTOS						
	<input checked="" type="checkbox"/> COMP/COLL						
	<input type="checkbox"/> SCHEDULED AUTOS						
	<input type="checkbox"/> NON-OWNED AUTOS						
	<input checked="" type="checkbox"/> DED*: \$1,000						
B	<input checked="" type="checkbox"/> UMBRELLA LIAB			TH7-Z91-453980-042	04/01/12	04/01/13	EACH OCCURRENCE \$ 19,000,000 AGGREGATE \$ 19,000,000
	<input type="checkbox"/> EXCESS LIAB						
	<input type="checkbox"/> CLAIMS-MADE						
	DED <input checked="" type="checkbox"/> RETENTION \$ 10,000						
A	WORKERS COMPENSATION AND EMPLOYERS' LIABILITY			WCJ-Z91-453980-072	04/01/12	04/01/13	ANY PROPRIETOR/PARTNER/EXECUTIVE OFFICER/MEMBER EXCLUDED? (Mandatory in NH) <input type="checkbox"/> N/A If yes, describe under DESCRIPTION OF OPERATIONS below
	<input checked="" type="checkbox"/> WC STATUTORY LIMITS						
	<input type="checkbox"/> OTH-ER						
	E.L. EACH ACCIDENT \$ 1,000,000						
	E.L. DISEASE - EA EMPLOYEE \$ 1,000,000						
	E.L. DISEASE - POLICY LIMIT \$ 1,000,000						
C	PROFESSIONAL/CYBER LIAB.			PL 0641009	04/01/12	04/01/13	\$50K.SIR EaCln/Agg 2,000,000
	(See attached Suppl. Page...)						

DESCRIPTION OF OPERATIONS / LOCATIONS / VEHICLES (Attach ACORD 101, Additional Remarks Schedule, if more space is required)

RE: Activities performed by or on behalf of the permittee or contractor as required by contract. ADDITIONAL INSURED(S): The City of Chicago as required per written contract.

CERTIFICATE HOLDER

CANCELLATION

City of Chicago

SHOULD ANY OF THE ABOVE DESCRIBED POLICIES BE CANCELLED BEFORE THE EXPIRATION DATE THEREOF, NOTICE WILL BE DELIVERED IN ACCORDANCE WITH THE POLICY PROVISIONS.

AUTHORIZED REPRESENTATIVE

121 N. LaSalle Dr., Room 107
Chicago, IL 60602

USA

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THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

**LIBERTY DirectSolutions for Contractors
(with Professional Liability)**

This endorsement modifies insurance provided under the following:

COMMERCIAL GENERAL LIABILITY COVERAGE PART

This endorsement modifies insurance by broadening the insurance provided by CG 00 01.

Index of modified items:

Item 1 - REASONABLE FORCE
Item 2. - NON-OWNED WATERCRAFT EXTENSION
Item 3. - ALIENATED PREMISES
Item 4. - PROPERTY IN YOUR CARE, CUSTODY OR CONTROL
Item 5. - CONTRACTORS PROFESSIONAL LIABILITY
Item 6. - DAMAGE TO PREMISES RENTED TO YOU - EXPANDED COVERAGE
Item 7. - BODILY INJURY TO CO-EMPLOYEES
Item 8. - HEALTH CARE PROFESSIONALS AS INSURED
Item 9. - NEWLY FORMED OR ACQUIRED ENTITIES
Item 10. - BLANKET ADDITIONAL INSURED AND WAIVER OF SUBROGATION—MANAGERS OR LESSORS OF PREMISES
Item 11. - EXPANDED BLANKET ADDITIONAL INSURED AND WAIVER OF SUBROGATION (FOR INSTALLATION EXPOSURES)
Item 12. - BLANKET ADDITIONAL INSURED AND WAIVER OF SUBROGATION - PERSON OR ORGANIZATION
Item 13. - ADDITIONAL INSURED - ARCHITECTS, ENGINEERS OR SURVEYORS
Item 14. - ADDITIONAL INSURED - STATE, MUNICIPALITY OR POLITICAL SUBDIVISION - PERMITS
Item 15. - ADDITIONAL INSURED AND WAIVER OF SUBROGATION - LESSOR OF LEASED EQUIPMENT
Item 16. - KNOWLEDGE OF OCCURRENCE
Item 17. - UNINTENTIONAL ERRORS AND OMISSIONS
Item 18. - BODILY INJURY REDEFINITION
Item 19. - MOBILE EQUIPMENT REDEFINITION
Item 20. - SUPPLEMENTARY PAYMENTS
Item 21. - LIBERALIZATION

These changes broaden the policy sections described unless differing language is separately endorsed to the coverage part.

Item 1. - REASONABLE FORCE

Exclusion a. of Coverage A is replaced by the following:

- a. Expected or Intended Injury
"Bodily injury" or "property damage" expected or intended from the standpoint of the insured. This exclusion does not apply to "bodily injury" or "property damage" resulting from the use of reasonable force to protect persons or property.

Item 2. - NON-OWNED WATERCRAFT EXTENSION

Subparagraph g.(2) of Exclusion g. of Coverage A (Section I - Coverages) is replaced by the following:

- (2) A watercraft you do not own that is:
 - (a) Less than 55 feet long; and
 - (b) Not being used for public transportation or as a common carrier.

Item 3. - ALIENATED PREMISES

1. Subparagraph j.(2) of Exclusions of Section I - Coverages - Bodily Injury And Property Damage Liability is replaced by the following:

- (2) Premises you sell, give away, or abandon, if the "property damage" arises out of any part of those premises, and occurs from hazards that were known by you, or should have reasonably been known by you, at the time the property was transferred or abandoned.

Item 4. - PROPERTY IN YOUR CARE, CUSTODY OR CONTROL

1. Subparagraphs (3) and (4) of exclusion j. of coverage A. do not apply except to
- (a) borrowed equipment, or
 - (b) "property damage" to property in your care, custody and control while in transit.

This insurance does not apply to any portion of a loss for which the insured has available any other valid and collectible insurance, whether primary, excess, contingent, or on any other basis, unless such other insurance was specifically purchased by the insured to apply in excess of this policy.

2. Limits of Insurance

Subject to Paragraphs 2., 3., and 5. of Section III – Limits Of Insurance, the most we will pay for insurance provided by paragraph 1., above is:

\$10,000 Each Occurrence Limit

\$25,000 Aggregate Limit

The Each Occurrence Limit for this coverage applies to all damages as a result of any one "occurrence" regardless of the number of persons or organizations who sustain damage because of that "occurrence."

The Aggregate Limit is the most we will pay for the sum of all occurrences covered by this provision.

Item 5. – CONTRACTORS PROFESSIONAL LIABILITY

The following exclusion is added to Paragraph 2., Exclusions of Section I – Coverage A – Bodily Injury And Property Damage Liability and Paragraph 2., Exclusions of Section I – Coverage B – Personal And Advertising Injury Liability:

This insurance does not apply to "bodily injury", "property damage" or "personal and advertising injury" arising out of the rendering of or failure to render any professional services by you, but only with respect to your providing engineering, architectural or surveying services in your capacity as an engineer, architect or surveyor.

Professional services include:

- 1. Preparing, approving, or failing to prepare or approve, maps, shop drawings, opinions, reports, surveys, field orders, change orders, or drawings and specifications; and
- 2. Supervisory or inspection activities performed as part of any related architectural or engineering activities.

This exclusion does not apply to your operations in connection with construction work performed by you or on your behalf.

Item 6. - DAMAGE TO PREMISES RENTED TO YOU - EXPANDED COVERAGE

A. Fire, Lightning Or Explosion Damage

The last paragraph of 2. Exclusions under Section I – Coverage A is replaced by the following:

Exclusions c. through n. do not apply to damage to premises rented to you or temporarily occupied by you with permission of the owner when the damage is caused by fire, lightning, or explosion or subsequent damages resulting from such fire, lightning or explosion, including water damage. A separate limit of insurance applies to this coverage as described in Section III – Limits of Insurance.

B. Limits for Damage to Premises Rented to You

Paragraph 6. of Section III – Limits of Insurance is replaced by the following:

Subject to 5. above, the Damage to Premises Rented to You Limit is the most we will pay under Coverage A for any combination of:

- (a) damage caused by fire, lightning, or explosion or subsequent damages resulting from such fire, lightning or explosion, including water damage to premises rented to you, or temporarily occupied by you with permission of the owner; and
- (b) "property damage" (other than damage by fire) to premises, including the contents of such premises, rented to you for a period of 7 or fewer consecutive days.

Item 7. - BODILY INJURY TO CO-EMPLOYEES

1. Subject to the Each Occurrence Limit and the General Aggregate Limit, Paragraphs 2.a.(1)(a), (b) and (c) of **Section II – Who Is An Insured** do not apply to your supervisory or management "employees" for "bodily injury" only.
2. Subject to the Each Occurrence Limit and the General Aggregate Limit, Paragraphs 2.a.(1)(a), (b) and (c) of **Section II – Who Is An Insured** do not apply to your "employees" or "volunteer workers" for "bodily injury" arising out of a Good Samaritan act to a co-"employee" or co-"volunteer worker." A Good Samaritan act means an attempt to rescue or aid a person in imminent or serious peril, provided the attempt is not recklessly made.

Damages owed to an injured co-"employee" or "volunteer worker" will be reduced by any amount paid or available to the injured co-"employee" or "volunteer worker" under any other valid and collectible insurance.

Item 8. - HEALTH CARE PROFESSIONALS AS INSURED

Paragraph 2.a. (1) (d) of **Section II – Who Is An Insured** is deleted unless:

- (i) You are engaged in the occupation or business of providing or offering medical, surgical, dental, x-ray or nursing services, treatment, advice or instruction; or
- (ii) The "employee" has any other insurance that would also cover claims arising under this provision, whether the other insurance is primary, excess, contingent or on any other basis.

Item 9. - NEWLY FORMED OR ACQUIRED ENTITIES

Paragraph 3. of **Section II – Who Is An Insured** is replaced by the following:

3. Any organization, other than a joint venture, you newly acquire or form and over which you maintain majority ownership or majority interest, will qualify as a Named Insured if there is no other similar insurance available to that organization.
 - a. Coverage under this provision is afforded only until
 - i. the 180th day after you acquire or form the organization; or
 - ii. separate coverage is purchased for the organization; or
 - iii. the end of the policy period,whichever is earlier.
 - b. Coverage A does not apply to "bodily injury" or "property damage" that occurred before you acquired or formed the organization; and
 - c. Coverage B does not apply to "personal and advertising injury" arising out of an offense committed before you acquired or formed the organization.

No person or organization is an insured with respect to the conduct of any past partnership, current or past joint venture or past limited liability company that is not shown as a Named Insured in the Declarations.

Item 10. - BLANKET ADDITIONAL INSURED AND WAIVER OF SUBROGATION—MANAGERS OR LESSORS OF PREMISES

A. **Section II – Who Is An Insured** is amended to include as an insured any manager or lessor of premises leased by you in which the written lease agreement obligates you to procure additional insured coverage, provided that:

1. the "bodily injury", "property damage" or "personal and advertising injury" giving rise to liability occurs subsequent to the execution of the agreement; and
2. the written agreement is in effect at the time of the "bodily injury", "property damage", "personal and advertising injury" for which coverage is sought.

That person or organization shall be referred to as the additional insured.

The coverage afforded to the additional insured is limited to liability in connection with the ownership, maintenance or use of the premises leased to you and caused, in whole or in part, by some negligent acts or omissions of you, your employees, your agents, or your subcontractors. There is no coverage for the additional insured for "bodily injury", "property damage" or "personal and advertising injury" arising out of the sole negligence of the additional insured or by those acting on behalf of the additional insured, except as provided below.

If the written agreement to indemnify an additional insured requires that you indemnify the additional insured for its sole negligence, then the coverage for the additional insured shall conform to that agreement; provided, however, that the contractual indemnification language of the agreement is valid under the law of the state where the agreement was formed. If the written agreement provides that a particular state's law will apply, then such provision will be honored.

B. Waiver Of Subrogation

For any additional insured that obtains insured status on this policy through paragraph A., above, we waive any right of recovery we may have against the additional insured because of payments we make for "bodily injury", "property damage" or "personal and advertising injury" to which this insurance applies.

C. Exclusions

This insurance does not apply to:

1. Any "occurrence" that takes place after you cease to be a tenant in that premises.
2. Any construction, renovation, demolition or installation operations performed by or on behalf of the Additional Insured.
3. Any premises for which coverage is excluded by endorsement.

D. Other Insurance

The insurance provided by this endorsement applies only to coverages and limits of insurance required by written agreement, but in no event exceeds either the scope of coverage or the limits of insurance available within this policy.

This insurance shall be excess over any other insurance available to the additional insured, whether such insurance is on an excess, contingent or primary basis, unless you are obligated under a written agreement to provide liability insurance for that additional insured on any other basis. In that event, this policy will apply solely on the basis required by such written agreement.

To the extent that the additional insured has the right to pursue any other insurance carrier for coverage, including a defense, we shall share that right with the additional insured.

Item 11. - EXPANDED BLANKET ADDITIONAL INSURED AND WAIVER OF SUBROGATION (FOR INSTALLATION EXPOSURES)

A. Section II - Who Is An Insured is amended to include as an insured any person or organization to whom you are obligated by a written agreement to procure additional insured coverage, provided that:

1. the "bodily injury," "property damage," or "personal and advertising injury" giving rise to liability occurs subsequent to the execution of the written agreement; and
2. the written agreement is in effect at the time of the "bodily injury," "property damage," or "personal and advertising injury" for which coverage is sought.

That person or organization shall be referred to as the additional insured.

The coverage afforded to the additional insured is limited to liability caused, in whole or in part, by the negligent acts or omissions of you, your employees, your agents, or your subcontractors, in the performance of your ongoing operations.

This insurance does not apply to "bodily injury," or "property damage," "personal and advertising injury" arising out of "your work" included in the "products-completed operations hazard" unless you are required to provide such coverage for the additional insured by the written agreement, and then only for the period of time required by the written

agreement and only for liability caused, in whole or in part, by the negligent acts or omissions of you, your employees, your agents, or your subcontractors.

There is no coverage for the additional insured for "bodily injury", "property damage" or "personal and advertising injury" arising out of the sole negligence of the additional insured or by those acting on behalf of the additional insured, except as provided below.

If the written agreement to indemnify an additional insured requires that you indemnify the additional insured for its sole negligence, then the coverage for the additional insured shall conform to that agreement; provided, however, that the contractual indemnification language of the agreement is valid under the law of the state where the agreement was formed. If the written agreement provides that a particular state's law will apply, then such provision will be honored.

B. Waiver Of Subrogation

For any additional insured that obtains insured status on this policy through paragraph A., above, we waive any right of recovery we may have against the additional insured because of payments we make for "bodily injury", "property damage" or "personal and advertising injury" to which this insurance applies.

C. Exclusions

With respect to the insurance afforded to these additional insureds, the following additional exclusions apply:

This insurance does not apply:

1. to "bodily injury", "property damage" or "personal and advertising injury" arising out of the rendering of, or the failure to render, any professional architectural, engineering or surveying services, including:
 - a. The preparing, approving, or failing to prepare or approve, maps, shop drawings, opinions, reports, surveys, field orders, change orders or drawings and specifications; or
 - b. Supervisory, inspection, architectural or engineering activities.
2. to "bodily injury" or "property damage" that occurs during the ongoing operations of a project where you have purchased an Owners & Contractors Protective Liability or Railroad Protective Liability Policy for the additional insured.
3. when coverage is available under a consolidated (wrap up) insurance program in which you are involved.

D. Other Insurance

The insurance provided by this endorsement applies only to coverages and limits of insurance required by written agreement, but in no event exceeds either the scope of coverage or the limits of insurance available within this policy.

This insurance shall be excess over any other insurance available to the additional insured, whether such insurance is on an excess, contingent or primary basis, unless the written agreement with you requires that the insurance provided for the additional insured be primary concurrent or primary non-contributory, in comparison to the additional insured's own policy or policies.

To the extent that the additional insured has the right to pursue any other insurance carrier for coverage, including a defense, we shall share that right with the additional insured.

Item 12. - BLANKET ADDITIONAL INSURED AND WAIVER OF SUBROGATION – PERSON OR ORGANIZATION

- A. Section II – Who Is An Insured is amended to include as an additional insured any person or organization to whom you are obligated by a written agreement to procure additional insured coverage, but only with respect to liability for "bodily injury", "property damage" or "personal and advertising injury" caused, in whole or in part, by your acts or omissions or the acts or omissions of those acting on your behalf:

1. In the performance of your ongoing operations; or
2. In connection with premises owned by you

provided that:

- (a) the "bodily injury", "property damage" or "personal and advertising injury" giving rise to liability occurs subsequent to the execution of the agreement; and
- (b) the written agreement is in effect at the time of the "bodily injury", "property damage", "personal injury" or "advertising injury" for which coverage is sought.

That person or organization shall be referred to as the additional insured.

There is no coverage for the additional insured for "bodily injury", "property damage" or "personal and advertising injury" arising out of the sole negligence of the additional insured or by those acting on behalf of the additional insured, except as provided below.

If the written agreement to indemnify an additional insured requires that you indemnify the additional insured for its sole negligence, then the coverage for the additional insured shall conform to that agreement; provided, however, that the contractual indemnification language of the agreement is valid under the law of the state where the agreement was formed. If the written agreement provides that a particular state's law will apply, then such provision will be honored.

B. Waiver Of Subrogation

For any additional insured that obtains insured status on this policy through paragraph A., above, we waive any right of recovery we may have against the additional insured because of payments we make for "bodily injury", "property damage" or "personal and advertising injury" to which this insurance applies.

C. Exclusions

This insurance does not apply to:

- 1. Any premises or equipment leased to you.
- 2. Any construction, renovation, demolition or installation operations performed by or on behalf of you, or those operating on your behalf.

D. Other Insurance

The insurance provided by this endorsement applies only to coverages and limits of insurance required by written agreement, but in no event exceeds either the scope of coverage or the limits of insurance available within this policy.

This insurance shall be excess over any other insurance available to the additional insured, whether such insurance is on an excess, contingent or primary basis, unless you are obligated under a written agreement to provide liability insurance for that additional insured on any other basis. In that event, this policy will apply solely on the basis required by such written agreement.

To the extent that the additional insured has the right to pursue any other insurance carrier for coverage, including a defense, we shall share that right with the additional insured.

Item 13. - ADDITIONAL INSURED – ARCHITECTS, ENGINEERS OR SURVEYORS

A. Section II – Who Is An Insured is amended to include as an additional insured any architect, engineer, or surveyor engaged by you but only with respect to liability for "bodily injury", "property damage" or "personal and advertising injury" caused, in whole or in part, by your acts or omissions or the acts or omissions of those acting on your behalf:

- 1. In connection with your premises; or
- 2. In the performance of your ongoing operations.

B. With respect to the insurance afforded to these additional insureds, the following additional exclusion applies:

This insurance does not apply to "bodily injury", "property damage" or "personal and advertising injury" arising out of the rendering of or the failure to render any professional services by or for you, including:

- 1. The preparing, approving, or failing to prepare or approve, maps, shop drawings, opinions, reports, surveys, field orders, change orders or drawings and specifications; or
- 2. Supervisory, inspection, architectural or engineering activities.

Item 14. - ADDITIONAL INSURED – STATE, MUNICIPALITY OR POLITICAL SUBDIVISION - PERMITS

Section II – Who Is An Insured is amended to include as an additional insured any state, municipality or political subdivision with respect to any operations performed by you, or on your behalf, for which the state, municipality or political subdivision has issued a permit

However, this insurance does not apply to:

1. "Bodily injury," "property damage" or "personal and advertising injury" arising out of operations performed for the state, municipality or political subdivision; or
2. Any "bodily injury" or "property damage" included within the "products-completed operations hazard", except when required by written contract or agreement initiated prior to loss; or
3. "Bodily injury," "property damage" or "personal and advertising injury," unless negligently caused, in whole or in part, by you or those acting on your behalf.

Item 15. - ADDITIONAL INSURED AND WAIVER OF SUBROGATION – LESSOR OF LEASED EQUIPMENT

- A. Section II - Who Is An Insured** is amended to include as an additional insured any person or organization from whom you lease equipment when you and such person or organization have agreed in a written agreement that such person or organization be added as an additional insured on your policy. Such person or organization is an insured only with respect to liability for "bodily injury", "property damage" or "personal and advertising injury" caused, in whole or in part, by your maintenance, operation or use of equipment leased to you by such person or organization.

There is no coverage for the additional insured for "bodily injury", "property damage" or "personal and advertising injury" arising out of the sole negligence of the additional insured or by those acting on behalf of the additional insured.

A person's or organization's status as an additional insured under this endorsement ends when the agreement with you for such leased equipment ends.

B. Waiver of Subrogation

For any additional insured that obtains insured status on this policy through paragraph A., above, we waive any right of recovery we may have against the additional insured because of payments we make for "bodily injury", "property damage" or "personal and advertising injury" caused, in whole or in part, by your maintenance, operation or use of equipment leased to you by such person or organization.

C. Other Insurance

This insurance shall be excess over any other insurance available to the additional insured, whether such insurance is on an excess, contingent or primary basis, unless you are obligated under a written agreement to provide liability insurance for that additional insured on any other basis. In that event, this policy will apply solely on the basis required by such written agreement.

To the extent that the additional insured has the right to pursue any other insurance carrier for coverage, including a defense, we shall share that right with the additional insured.

Item 16. - KNOWLEDGE OF OCCURRENCE

Subparagraph 2.a., b. and c. of Condition 2. Section IV – Commercial General Liability Conditions are amended to add the following:

As used in this paragraph, the word "you" refers to an "executive officer", partner, member or legal representative, and any other "employee" with insurance or risk management responsibilities.

Item 17. - UNINTENTIONAL ERRORS AND OMISSIONS

Paragraph 6. of Section IV – Commercial General Liability Conditions is amended to add the following:

Any unintentional error or omission in the description of, or failure to completely describe, any premises or operations intended to be covered by this policy will not invalidate or affect coverage for those premises or operations. However, you must report such error or omission to us as soon as practicable after its discovery.

This provision does not affect our right to collect additional premium or exercise our right of cancellation or non-renewal.

Item 18. - BODILY INJURY REDEFINITION

The definition of "bodily injury" in Section V - Definitions is replaced by the following:

"Bodily injury" means bodily injury, sickness or disease sustained by a person. It includes death or mental anguish, which results at any time from such physical harm, physical sickness or physical disease. Mental anguish means any type of mental or emotional illness or distress.

Item 19. - MOBILE EQUIPMENT REDEFINITION

Paragraph 12. f.(1) (a), (b) and (c) of Section V - Definitions does not apply to self-propelled vehicles of less than 1000 pounds gross vehicle weight.

Item 20. - SUPPLEMENTARY PAYMENTS

Section I - Coverages, Supplementary Payments - Coverages A and B, item 1. b. and 1. d., respectively, are replaced with:

- b. Up to \$2,500 for cost of bail bonds required because of accidents or traffic law violations arising out of the use of any vehicle to which the Bodily Injury Liability Coverage applies. We do not have to furnish these bonds.
- d. All reasonable expenses incurred by the insured at our request to assist us in the investigation or defense of the claim or "suit" including substantiated loss of earnings up to \$500 a day because of time off from work.

Item 21. - LIBERALIZATION

Section IV - Commercial General Liability Conditions is amended to add the following:

10. Liberalization

If we adopt a change in our forms or rule which would broaden your coverage without an extra charge, the broader coverage will apply to this policy. This extension is effective upon the approval of such broader coverage in your state.


SECREARY PRESIDENT


Countersigned by

Authorized Representative

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

NOTICE OF CANCELLATION TO THIRD PARTIES

This endorsement modifies insurance provided under the following:

BUSINESS AUTO COVERAGE PART
MOTOR CARRIER COVERAGE PART
GARAGE COVERAGE PART
EXCESS AUTOMOBILE LIABILITY INDEMNITY COVERAGE PART
SELF-INSURED TRUCKER EXCESS LIABILITY COVERAGE PART
COMMERCIAL GENERAL LIABILITY COVERAGE PART
EXCESS COMMERCIAL GENERAL LIABILITY COVERAGE PART
PRODUCTS/COMPLETED OPERATIONS LIABILITY COVERAGE PART
LIQUOR LIABILITY COVERAGE PART

- A. If we cancel this policy for any reason other than nonpayment of premium, we will notify the persons or organizations shown in the Schedule below. We will send notice to the email or mailing address listed below at least 10 days, or the number of days listed below, if any, before the cancellation becomes effective. In no event does the notice to the third party exceed the notice to the first named insured.
- B. This advance notification of a pending cancellation of coverage is intended as a courtesy only. Our failure to provide such advance notification will not extend the policy cancellation date nor negate cancellation of the policy.

All other terms and conditions of this policy remain unchanged.

SCHEDULE

Name of Other Person(s) / Organization(s):	Email Address or mailing address:	Number Days Notice:
As required by written contract	Per schedule on file with company	30 days

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

NOTICE OF CANCELLATION TO THIRD PARTIES

This endorsement modifies insurance provided under the following:

WORKERS COMPENSATION AND EMPLOYERS LIABILITY COVERAGE PART

- A.** If we cancel this policy for any reason other than nonpayment of premium, we will notify the persons or organizations shown in the Schedule below. In no event does the notice to the third party exceed the notice to the first named insured.
- B.** This advance email notification of a pending cancellation of coverage is intended as a courtesy only. Our failure to provide such advance notification will not extend the policy cancellation date nor negate cancellation of the policy.

SCHEDULE		
Name of Other Person(s) / Organization(s):	Email Address or mailing address:	Number Days Notice:
As required by written contract	Per schedule on file with company	30-days

All other terms and conditions of this policy remain unchanged.

AGENCY CUSTOMER ID: _____

LOC #: _____



ADDITIONAL REMARKS SCHEDULE

Page ____ of ____

AGENCY Arthur J. Gallagher & Co. Insurance Brokers of California, Inc. POLICY NUMBER		NAMED INSURED Redflex Traffic Systems, Inc. 23751 N. 23rd Avenue, Suite 150 Phoenix, AZ 85085-1854 EFFECTIVE DATE:
CARRIER	NAIC CODE	

ADDITIONAL REMARKS

THIS ADDITIONAL REMARKS FORM IS A SCHEDULE TO ACORD FORM,

FORM NUMBER: _____ FORM TITLE: _____

THIRD PARTY FIDELITY COVERAGE

Carrier: TRAVELERS CAS & SURETY CO OF AMER[A+,XV] NAIC#31194

Policy #: 105581275 | Effective: 04/01/2012 to 04/01/2013 | Limit: \$500,00 single loss limit for Employee Theft of Client Property | Retention: \$10,000

PROPERTY COVERAGE

Carrier: LIBERTY MUTUAL FIRE INS CO [AMBEST: A,XV] NAIC#23035

Policy #: YU2-L9L-453980-062 | Effective: 04/01/2012 to 04/01/2013

Blanket Personal Property: \$23,155,000 | Installation-PP/PPO: \$1,000,000 | Installation / Transit: \$250,000

SUPPLEMENT TO CERTIFICATE OF INSURANCE

DATE
04/16/2012

NAME OF INSURED: Redflex Traffic Systems, Inc.

Additional Description of Operations/Remarks from Page 1

Additional Information:

GENERAL LIABILITY:

- * Separation of Insureds applies per policy form.
- * Additional Insured if required by written contract per attached form LG3234 0907.
- * Coverage is Primary & Non-Contributory if required by written contract per form LG3234 0907.
- * Waiver of Subrogation if required by written contract per attached form LG3234 0907.